

STATEMENT OF BASIS (AI No. 98836)

for draft Louisiana Pollutant Discharge Elimination System permit No. LA0116394 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: A & Z Marine, Inc.
A & Z Marine Shipyard
P.O. Box 576
Port Allen, LA 70767

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

PREPARED BY: John Chopin

DATE PREPARED: April 13, 2010

1. PERMIT STATUS**A. Reason For Permit Action:**

Permit reissuance of an Louisiana Pollutant Discharge Elimination System (LPDES) permit for a 5-year term.

B. NPDES permit – NPDES permit effective date: N/A
NPDES permit expiration date: N/A
EPA has not retained enforcement authority.

C. LPDES Individual Permit LA0116394-
LPDES permit effective date: February 1, 2004
LPDES permit modification effective date: April 1, 2005
LPDES permit expiration date: January 31, 2009

D. LPDES General Permit Authorization LAR05N232-
LPDES General Permit Coverage Reauthorization Effective Date:
May 24, 2006
LPDES General Permit Coverage Reauthorization Expiration Date:
April 30, 2011

E. Date Application Received: July 28, 2008

2. FACILITY INFORMATION**A. FACILITY TYPE/ACTIVITY – Shipyard**

A & Z Marine Shipyard is an existing facility that manufactures, cleans, and repairs marine vessels.

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B. FEE RATE

1. Fee Rating Facility Type: minor
2. Complexity Type: I – (BPJ based on Interim Guidance for Complexity Type Determination for SIC codes 3731 and 3732)
3. Wastewater Type: II
4. SIC codes: 3731,3732

C. LOCATION - 2425 Sun Plus Highway
Port Allen, West Baton Rouge Parish
Latitude 30 25 51, Longitude 91 14 25

3. OUTFALL INFORMATION

Outfall 01A

Discharge Type: the intermittent discharge of ballast/void water from incoming vessels
Treatment: none
Location: at the point of discharge from the vessel containing the incoming ballast/void water, prior to combining with other waters.
Flow: intermittent, estimated flow of 0.001 MGD
Discharge Route: to Sun Plus Canal via hose, thence into the Intracoastal Waterway.

Outfall 01B

Discharge Type: the intermittent discharge of facility maintenance ballast/void water and drydock ballast water
Treatment: none
Location: at the point of discharge from the vessel/dry dock, prior to combining with other waters.
Flow: intermittent, estimated flow of 0.043 MGD
Discharge Route: to Sun Plus Canal via hose, thence into the Intracoastal Waterway.

Outfall 002

Discharge Type: the intermittent discharge of bilge water and fuel tank washwater
Treatment: Oil/water separation
Location: at the point of discharge from the oil/water separator prior to combining with other waters.
Flow: intermittent, estimated flow of 0.0009 MGD
Discharge Route: to Sun Plus Canal via pipe, thence into the Intracoastal Waterway.

4. RECEIVING WATERS

STREAM - Sun Plus Canal, thence into into the Intracoastal Waterway.

BASIN AND SEGMENT - Terrebonne Basin, Segment 120109

DESIGNATED USES -

- a. primary contact recreation
- b. secondary contact recreation
- c. propagation of fish and wildlife
- d. drinking water supply

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5. TMDL STATUS

Subsegment 120109 was previously listed as impaired for Dissolved Oxygen & Nutrients and Fecal Coliform on past 303(d) lists, for which the below TMDL's have been developed. The Department of Environmental Quality reserves the right to impose more stringent discharge limitations and/or additional restrictions in the future to maintain the water quality integrity and the designated uses of the receiving water bodies based upon additional TMDL's and/or water quality studies. The DEQ also reserves the right to modify or revoke and reissue this permit based upon any changes to established TMDL's for this discharge, or to accommodate for pollutant trading provisions in approved TMDL watersheds as necessary to achieve compliance with water quality standards.

The following TMDL's have been established for subsegment 120109:

TMDLs for Fecal Coliform Bacteria, Chlorides, Sulfates, Total Dissolved Solids (TDS), Sediment, Total Suspended Solids (TSS), and Turbidity for selected Subsegments in the Terrebonne Basin, Louisiana (finalized on April 19, 2007)

Fecal Coliform

Subsegment 120109 was listed as impaired for fecal coliform bacteria. The suspected source listed in the TDML was on-site treatment systems. A & Z Marine Shipyard does not discharge sanitary wastewater, therefore, it is not expected to contribute to the fecal coliform bacteria impairment. No additional limitations have been added to the permit.

TMDLs for Dissolved Oxygen & Nutrients in Selected Subsegments in the Upper Terrebonne Basin, Louisiana (finalized on April 2, 2008)

Dissolved Oxygen and Nutrients

A & Z Marine Shipyard was not identified as a point source discharge contributing to the dissolved oxygen and nutrients impairments in the above mentioned TMDL. It was determined that the facility's discharges do not have the potential to contribute to further dissolved oxygen and nutrient impairments. However, COD limitations from the current LPDES permit have been retained to ensure protection of the receiving waterbody.

LDEQ's position regarding water quality criteria for nutrients is that when oxygen-demanding substances are controlled and limited in order to ensure that the dissolved oxygen criterion is supported, nutrients are also controlled and limited. See In The Matter of Sierra Club and Louisiana Environmental Network Request for Nutrient Limits. Docket No. AHD-DR-96001, LDEQ April 29, 1996. LAC 33:IX.2707.D.1.f.iii allows the establishment of effluent limitations based on an indicator parameter for the pollutant of concern. LDEQ's consistent approach to controlling nutrients where the WQMP does not otherwise require specific nutrient limitations is achieved by limiting the discharge of oxygen-demanding substances through COD limitations. Compliance with the COD limitations as an indicator parameter will result in the control of nutrients from the discharge sufficient to attain and maintain the applicable water quality standard. Effluent monitoring of the indicator parameter as conducted by the permittee in accordance with the permit in addition to LDEQ's ambient water quality monitoring program will allow for further evaluation by the Department to determine the effectiveness of the limitation. The reopener clause located in Part II of the permit allows the Department to modify or revoke and reissue the permit if the limitations as set on the indicator parameter are shown to no longer attain and maintain applicable water quality standards.

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6. CHANGES FROM PREVIOUS PERMIT

- A. Outfalls 001A and 001B - Per the agreement between this Office and the Permit Compliance Unit (PCU) of LDEQ, the characters used to identify a given outfall shall be limited to three per outfall. In light of this, Outfall 001A will now be referred to as "Outfall 01A" and Outfall 001B will now be referred to as "Outfall 01B." The permittee shall reflect this change during the reporting of DMRs as well as any other documentation submitted to this Office.
- B. Outfall 01A – the description has been changed from "the intermittent discharge of incoming ballast water from customer barges" to "the intermittent discharge of ballast/void water from incoming vessels."
- C. Outfall 01B – the description has been changed from "the intermittent discharge of maintenance and/or dry dock ballast water" to "the intermittent discharge of facility maintenance ballast/void water and drydock ballast water". The monitoring frequencies for Flow, COD, and Oil & Grease have been changed from 1/month to 1/event. Visible Sheen has been added as a parameter with no presence as a discharge limitation and a monitoring frequency of 1/day when discharging. The monitoring of pH has been retained at 1/month to be consistent with current office guidance for these types of discharges.
- D. Outfall 002 – A Soap and Detergents inventory calculation and record-keeping provision was added for this outfall.

7. COMPLIANCE HISTORY/COMMENTS

1. OEC – There are no open, appealed, or pending OES/ enforcement action for any media as of February 17, 2010.
2. OEC, Surveillance – Minor CEI conducted November 14, 2004. Referred to Mary David in Surveillance for follow up on February 24, 2010.
3. DMR Review/Excursions – A review of DMRs for January 2008 through January 2010 revealed no excursions.

8. EXISTING EFFLUENT LIMITS

Outfall 001A: the intermittent discharge of ballast/void water from incoming vessels (*1)

Effluent Characteristic	Monthly Average	Daily Maximum	Frequency
Flow-MGD	Report	Report	1/week
COD	---	250 mg/L	1/week
Oil & Grease	---	15 mg/L	1/week
pH (standard units)	6.0 (Min)	9.0 (Max)	1/week

- (*1) Hydrostatic test water may be discharged as ballast/void water provided: (a) it is the ballast/void tanks being tested, and (b) that no additives such as corrosion inhibitors, bactericides, and dyes are added to the test water.

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Outfall 001B: the intermittent discharge of facility maintenance ballast/void water and drydock ballast water(*1)

Effluent Characteristic	Monthly Average	Daily Maximum	Frequency
Flow-MGD	Report	Report	1/month
COD	---	250 mg/L	1/month
Oil & Grease	---	15 mg/L	1/month
pH (standard units)	6.0 (Min)	9.0 (Max)	1/month

(*1) Hydrostatic test water may be discharged as ballast/void water provided: (a) it is the ballast/void tanks being tested, and (b) that no additives such as corrosion inhibitors, bactericides, and dyes are added to the test water.

Note: Testing is only required if a visible sheen is present.

Outfall 002: the intermittent discharge of bilge water and fuel tank wash water

Effluent Characteristic	Monthly Average	Daily Maximum	Frequency
Flow-MGD	Report	Report	1/month
COD	200 mg/L	300 mg/L	1/month
Oil & Grease	---	15 mg/L	1/month
pH (standard units)	6.0 (Min)	9.0 (Max)	1/month

9. ENDANGERED SPECIES

The receiving waterbody, Subsegment 120109 of the Terrebonne Basin is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). This strategy was submitted with a letter dated January 5, 2010 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat. Therefore, the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat.

10. HISTORIC SITES

The discharge is from an existing facility location, which does not include an expansion on undisturbed soils. Therefore, there should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

11. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to issue a permit for the discharge described in the application.

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12. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

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Rationale for A & Z Marine, Inc.

1. **Outfall 01A:** the intermittent discharge of ballast/void water from incoming vessels

Pollutant	Limitation		Reference
	Monthly Avg mg/L	Daily Max	
Flow-MGD	Report	Report	LAC 33:IX.2701.I.1.b
COD	---	250	BPJ; Similar discharges (LA0118753)
Oil & Grease	---	15	BPJ; Similar discharges (LA0118753)
pH, s.u.	6.0 (min)	9.0 (max)	LAC 33:IX.1113.C.1

BPJ - Best Professional Judgment

Flow: Established in accordance with LAC 33:IX.2701.I.1.b. The monitoring frequency of 1/week has been retained from the current LPDES permit.

COD and Oil & Grease: Daily maximum limitations and monitoring frequencies of 1/week have been retained from the current LPDES permit and are based on BPJ for similar discharges (Pelican Ship Yard & Machine Shop, LA0118753, AI 100229, effective February 1, 2010).

pH: Established in accordance with LAC 33:IX.1113.C.1. The monitoring frequency of 1/week has been retained from the current LPDES permit.

2. **Outfall 01B:** the intermittent discharge of facility maintenance ballast/void water and drydock ballast water

Pollutant	Limitation		Reference
	Monthly Avg mg/L	Daily Max	
Flow-MGD	Report	Report	LAC 33:IX.2701.I.1.b
COD	---	250	BPJ; Similar discharges (LA0118753)
Oil & Grease	---	15	BPJ; Similar discharges (LA0118753)
Visible Sheen	---	No presence	BPJ; Similar discharges (LA0118753)
pH, s.u.	6.0 (min)	9.0 (max)	LAC 33:IX.1113.c.1

BPJ - Best Professional Judgment

Flow: Established in accordance with LAC 33:IX.2701.I.1.b. The monitoring frequency of 1/event has been changed from 1/month based on BPJ. This is consistent with current office guidance for these types of discharges.

COD and Oil & Grease: Daily maximum limitations have been retained from the current LPDES permit and are based on BPJ for similar discharges (Pelican Ship Yard & Machine Shop, LA0118753, AI 100229, effective February 1, 2010). Monitoring frequencies of 1/month have changed to 1/event, when visible sheen is present, based on BPJ and similar discharges (LA0118753).

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Visible Sheen: Established as a parameter with a limitation of no presence and a monitoring frequency of 1/day when discharging, based on BPJ for similar facilities/discharges (LA0118753).

pH: Established in accordance with LAC 33:IX.1113.C.1. The monitoring frequency of 1/month has been changed to 1/event, based on BPJ and similar discharges (LA0118753).

3. **Outfall 002:** the intermittent discharge of bilge water and fuel tank washwater

Pollutant	Limitation		Reference
	Monthly Avg	Daily Max	
Flow	Report	Report	LAC 33:IX.2701.1.1.b
COD	200	300	Similar discharges (BPJ)
Oil & Grease	---	15	Similar discharges (BPJ)
pH, s.u.	6.0 (min)	9.0 (max)	LAC 33:IX.1113.C.1
Soaps & Detergents	---	Inventory Calculation	LAG480000

BPJ Best Professional Judgment

Flow: Established in accordance with LAC 33:IX.2701.1.1.b. The monitoring frequency of 1/month has been retained from the current LPDES permit.

COD: the Monthly Average limitation, Daily Maximum limitation, and monitoring frequency of 1/month for COD have been retained from the current LPDES permit and are based on BPJ and current guidance for similar discharges.

Oil & Grease: the Daily Maximum limitation and monitoring frequency of 1/month for Oil & Grease have been retained from the current LPDES permit and are based on BPJ and current guidance for similar discharges.

pH: Established in accordance with LAC 33:IX.1113.C.1. The monitoring frequency of 1/month has been retained from the current LPDES permit.

Soaps & Detergents: The quantity and types of all Soaps and/or Detergents used during the sampling month shall be recorded. Records of the quantity and types of Soaps and/or Detergents shall be retained for three (3) years, following Part III.C.3. Additionally, a Material Safety Data Sheet for each material used shall be retained. No DMR reporting is required.

Stormwater Runoff

The stormwater runoff discharges from this facility are covered by Sector R of the Multi-Sector General Permit (MSGP) authorization number LAR05N232, effective 5/24/2006 through 4/30/2011. Vessel BMPs are comparable to SWP3 Requirements, therefore vessel BMPs will be applied.

Should Multi-Sector General Permit coverage be terminated at any time during the life of this permit, A & Z Marine, Inc. must request a permit modification to include additional requirements for stormwater discharges.